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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

In accordance with Chapter 1 of Part 2 of the Commonhold and Leasehold Reform Act 2002 (“the 2002 Act”), a company, referred to in that Chapter as a RTM company, may acquire and exercise rights in relation to the management of premises. Section 73(2) of the 2002 Act provides that a company is a RTM company in relation to premises if it is a private company limited by guarantee and its memorandum of association states that its object, or one of its objects, is the acquisition and exercise of the right to manage those premises. Subsections (3) to (5) of that section describe companies that are not RTM companies and the circumstances in which a RTM company ceases to be a company of that description.

These Regulations prescribe the form and content of the memorandum of association and articles of association of RTM companies in relation to premises in Wales.

The prescribed content and form have effect in relation to RTM companies whether or not they are adopted.

Regulation 2 provides that whether or not a RTM company adopts articles of association and memorandum of association as set out in the Regulations the form of those documents as set out in Schedule 1 shall have effect for that RTM company. Regulation 2 also provides where a RTM company wishes to have either its memorandum of association or its articles of association, or both, in Welsh, those documents shall take the form set out in Schedule 2 to these Regulations.

Where a RTM company adopts a memorandum and articles before the coming into force of these Regulations, the memorandum and articles are treated as including such of the content set out in Schedule 1 as is necessary to secure that those documents comply with the Regulations.

A Regulatory Appraisal has been prepared in connection with these Regulations. A copy may be obtained from the Housing Directorate, the National Assembly for Wales, Cathays Park, Cardiff, CF10 3NQ (Tel 029 20 823025).